

SENATE RECORD VOTE ANALYSIS

106th Congress
1st Session

Vote No. 61

March 24, 1999, 8:28 p.m.
Page S-3225 Temp. Record

BUDGET RESOLUTION/Less Tax Relief, Medicare Surplus Reserve

SUBJECT: Senate Concurrent Budget Resolution for fiscal years 2000-2009 . . . S.Con. Res. 20. Conrad motion to waive the Budget Act for the consideration of the Conrad amendment No. 147.

ACTION: MOTION REJECTED, 45-54

SYNOPSIS: As reported, S.Con. Res. 20, the Senate Concurrent Budget Resolution for fiscal years 2000-2009: will cut the debt held by the public (money that the Federal Government owes to creditors other than itself) in half over 10 years; will fully fund Medicare (all of the President's proposed \$9 billion in Medicare cuts were rejected; as a result, this budget will allow \$20.4 billion more in Medicare spending over the next 10 years); will save the entire \$1.8 trillion in Social Security surpluses over the next 10 years for Social Security; will provide for \$778 billion in net tax relief over the next 10 years (in contrast, the President's budget would increase the tax burden by \$96 billion net over 10 years), and will adhere to the spending restraints (discretionary spending caps and pay-go provisions) of the bipartisan budget agreement as enacted in the Balanced Budget Act of 1997 and the Taxpayer Reform Act of 1997 (the President's proposed budget, in contrast, would dramatically increase spending in violation of that bipartisan agreement, and would result in \$2.2 trillion more in total Federal debt at the end of 10 years than proposed in this Senate budget).

The Conrad amendment would reduce the tax relief provided by \$320 billion over 10 years, would create a Medicare hospitalization (Part A) "surplus reserve" totaling \$376 billion over 10 years, and would decrease the proposed levels for the Federal debt and the debt held by the public by \$376 billion over 10 years (the amendment would not propose increasing the Medicare trust fund because that action would increase gross Federal debt above the amount allowed by law). It would also create a point of order against considering any budget resolution, conference report, or amendment or motion thereto, or any other legislation, that would decrease the Medicare surplus reserve. It would take a three-fifths majority vote to waive that point of order. Finally, it would create a three-fifths majority (60) point of order to waive the current-law requirement to keep Social Security receipts and outlays off-budget. The amendment would not make any reforms to the Medicare Program.

(See other side)

YEAS (45)		NAYS (54)		NOT VOTING (1)	
Republicans (0 or 0%)	Democrats (45 or 100%)	Republicans (54 or 100%)	Democrats (0 or 0%)	Republicans (1)	Democrats (0)
Akaka	Kennedy	Abraham	Helms	Lugar- ⁴	
Baucus	Kerrey	Allard	Hutchinson		
Bayh	Kerry	Ashcroft	Hutchison	EXPLANATION OF ABSENCE: 1—Official Business 2—Necessarily Absent 3—Illness 4—Other	
Biden	Kohl	Bennett	Inhofe		
Bingaman	Landrieu	Bond	Jeffords		
Boxer	Lautenberg	Brownback	Kyl		
Breaux	Leahy	Bunning	Lott		
Bryan	Levin	Burns	Mack		
Byrd	Lieberman	Campbell	McCain		
Cleland	Lincoln	Chafee	McConnell		
Conrad	Mikulski	Cochran	Murkowski		
Daschle	Moynihan	Collins	Nickles		
Dodd	Murray	Coverdell	Roberts		
Dorgan	Reed	Craig	Roth		
Durbin	Reid	Crapo	Santorum		
Edwards	Robb	DeWine	Sessions		
Feingold	Rockefeller	Domenici	Shelby		
Feinstein	Sarbanes	Enzi	Smith, Bob		
Graham	Schumer	Fitzgerald	Smith, Gordon		
Harkin	Torricelli	Frist	Snowe		
Hollings	Wellstone	Gorton	Specter		
Inouye	Wyden	Gramm	Stevens		
Johnson		Grams	Thomas		
		Grassley	Thompson		
		Gregg	Thurmond		
		Hagel	Voinovich		
		Hatch	Warner		
				SYMBOLS: AY—Announced Yea AN—Announced Nay PY—Paired Yea PN—Paired Nay	

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After debate, Senator Domenici raised a point of order that the amendment violated section 305(b)(2) of the Budget Act. Senator Conrad then moved to waive the Budget Act for the consideration of the amendment. Generally, those favoring the motion to waive favored the amendment; those opposing the motion to waive opposed the amendment.

NOTE: A three-fifths majority (60) vote is required to waive the Budget Act. After the failure of the motion to waive, the point of order was upheld and the amendment thus fell.

Those favoring the motion to waive contended:

The budget resolution before us has a lockbox for Social Security to protect its surpluses. It does not have a lockbox for Medicare, though. Medicare is in even more danger than Social Security--it is scheduled to go broke in 2008, whereas Social Security is currently expected to last until 2032. We need to protect Medicare too. Over the next 10 years there are going to be huge budget surpluses generated in excess of the Social Security surpluses. Our Republican colleagues have proposed giving most of those surpluses to the American people in the form of tax relief. Amazingly, they are talking about giving a 10-percent, across-the-board cut. If we follow that course, most of the money will end up in the hands of wealthy people. For instance, somebody who pays \$200,000 in taxes will get a \$20,000 tax break. In contrast, an average American who may pay around \$2,000 in taxes will just get a \$200 break, or less than \$20 per month. Getting an extra \$200 will not make much difference in the lives of most Americans, but that is all most Americans will get. On the other hand, if we were to take less than half the money our Republican colleagues want to give in tax breaks to the wealthy and instead save it for Medicare, we would still be able to extend the solvency of that program for another 12 years. Further, we would still have more than \$400 billion that we could use for spending on important national priorities like education, health care, child care, and yes, even tax relief. We favor some targeted tax relief, such as tax relief that will help the needy. Our colleagues have been very critical of the President's proposal to put money aside for Medicare. We think that the President deserves credit for at least addressing the problem. However, our colleagues should be aware that this proposal is not the same as the President's. It is based on their resolution's numbers for tax relief, so no charge can be made that we are doing any double counting of revenues. Also, we have used the same type of lockbox that our Republicans have proposed for Social Security, so no claim can be made that the money will not really be saved--we have proposed lowering the debt held by the public in the same manner as our colleagues have proposed for Social Security. If we do not pass this amendment, and no reforms are made, Medicare will go broke in 2008 and 40 million elderly Americans will be without health care. If we pass this amendment, Medicare will last until at least 2020, average Americans will be out a little tax relief, and rich Americans will be out a lot of tax relief. We think the latter alternative is much better, and thus strongly support this amendment.

Those opposing the motion to waive contended:

Both Social Security and Medicare are supposed to be self-financing systems, not welfare systems. The current problem with Social Security is that it is generating large surpluses that we believe Congress will spend unless they are protected with a budgetary lockbox mechanism to prevent their expenditure. Social Security's long-term problem is that reforms need to be made or it will fail in 2032 due to actuarial changes. This resolution will create a lockbox to protect the surpluses, which will make it easier to enact reforms in the future. Medicare is a different story. It does not run surpluses. It has been running deficits since 1992 and it will fail in 2008 without reforms. It has actuarial problems, and it also has problems based on its obsolete, ineffective, and expensive design for providing health care services. There are not any surpluses to protect. Our colleagues' response is that we ought to make it a semi-welfare program by pumping in hundreds of billions of dollars out of general tax revenues. We do not think that is an acceptable response. It will just delay the day of reckoning, and will almost certainly result in reform efforts being delayed yet again. In 2020, when Medicare will again be insolvent under this amendment's plan (assuming that the money being spent aside actually ends up being used for Medicare), Medicare's annual deficits will be astronomically larger and it will therefore be much more difficult to come up with fair reform efforts.

Republicans favor making Medicare reform efforts now. No further delays or gimmicks should be tolerated. The President, unfortunately, proposed a gimmick solution based on non-existent money that would have just increased the number of Treasury note IOUs held by Medicare without cutting government spending or debt. This amendment is certainly better because it is based on the honest budget numbers of this resolution, but it still avoids making the needed reforms. We frankly believe that most Democratic Senators also understand the urgency of making real reforms now. Two Democratic Senators, in fact, supported and were primary designers of the reform plan that came out of the President's bipartisan Medicare reform commission. That commission fell one vote short of officially endorsing that plan because the President, after stringing the commission on in negotiations for more than a month after the commission's report was due to be issued, decided he would not back it. Once the President's representatives on the commission opposed the plan most congressional Democrats did as well. Nevertheless, we are certain that most Democratic Senators favor reforms. The details are negotiable. Just throwing non-Medicare, taxpayer money at the problem, though, will not fix anything. In fact, depending on the plan that is adopted, reform may not even have a net cost. The plan from the bipartisan

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commission, which would extend solvency for another 4 years, is one such plan. That plan even had net savings, which it proposed to use to give Medicare beneficiaries prescription drug coverage.

Interestingly, this amendment would not give one penny or one new Treasury note to Medicare, nor would it allow one extra cent in Medicare spending. It would just deny \$320 billion in tax relief, and, assuming the later enactment of lockbox legislation, lower the debt held by the public. Our more liberal colleagues have made clear that their primary motivation for supporting this amendment is to deny tax relief for "rich people." These colleagues, many of whom themselves are rich, are upset that some millionaires, under a 10-percent tax cut, could get tax cuts of \$20,000 or more. In response, anyone who gets a tax cut of \$20,000 has to be paying \$200,000 in taxes. Anyone who gets a \$200 cut is only paying \$2,000 in taxes, and obviously should not expect to get a \$20,000 tax "reduction." We have no problem with giving a 10-percent cut to everybody who pays taxes--we think that is fair. However, we note also that this resolution does not specify what tax cuts will be enacted, other than to express the sense of the Senate that the cuts will be geared to help American families. The most likely cut, in fact, that will be enacted will be to eliminate the marriage tax penalty. That cut will go directly to middle-class American families. Our rich, liberal colleagues have often disparaged how helpful tax cuts are for average Americans. For instance, they fought tenaciously for years against the enactment of a \$500 child tax credit because they said it would not really help families very much. We finally enacted that greatly needed tax relief, and we intend to enact more tax relief this Congress.

The combined Federal, State, and local tax burden on the American people is at its highest level in history, and over the next 10 years the Federal Government is expected to collect, under current spending plans, nearly \$900 billion more than it needs, not counting Social Security surpluses. Republicans, in this budget, have proposed giving back most of that extra money, \$778 billion, to the American people. The Conrad amendment would deny nearly half of that tax relief and would promise to prop up Medicare for 12 years using general taxpayer funds. We favor neither proposal, and therefore strongly oppose this amendment.